

STATEMENT OF PURPOSE

RS19945

This proposed legislation will amend 47-1601, Idaho Code, which covers the leasing of geothermal resources on state lands. Currently, this section of code limits the duration of leases to 10 years. Ten years is not enough time for some projects to recoup their investment in development costs of various geothermal activities, including commercial energy production, direct heating, and mineral extraction.

This proposal will allow leases to be up to 49 years as is permitted in 58-307, Idaho Code, for commercial ventures. This legislation will also "clean-up" a discrepancy between 47-1601 and 58-307, since the latter currently provides for up to 49-year lease terms for geothermal projects which produce not less than twenty-five (25) kilowatts of electricity.

FISCAL NOTE

These amendments have the potential to increase revenue to the general fund, as well as the endowment trusts. If adopted, the amendments will provide greater incentives for entrepreneurs to develop lucrative geothermal projects on endowment lands, public trust lands, and other state lands in Idaho, which will enhance the financial returns to the state.

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